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Rain with mild temperature to-day; to-

PRICE TWO CENTS

and sounder newspaper than ever before.

NEW YORK, TUESDAY, MARCH 7, 1922, -ENTERED AS SECOND CLASS MATTER. POST OFFICE, NEW YORK, N.Y.

## SUBWAY MUST SEAT **ALL PATRONS EXCEPT** IN THE RUSH HOURS

Drastic Order to Improve Service Determined On by Transit Board.

EARNINGS ON INCREASE

But Conditions Generally Have Deteriorated, Is Report of Experts.

200 'STUFFED' IN CARS

'Greed for Profit' May Best Be Eliminated by Reorganization Plan.

A seat for every passenger, except in the rush hours.

The Transit Commission yesterday after hearing reports which prove grossly inadequate service on the Interborough subway lines during the greater part of each day, took the necessary statutory steps for the early issuance of service orders demanding betterments in the train operation of lyn Rapid Transit lines that will reduce straphangers to a minimum.

Representatives of the Interborough were summoned to a hearing before be heard the next day. Following to-day. these hearings the commission will issue its orders, which Chairman George McAneny said already are in

"I assume," he said at the close of yesterday's session, "that it is understood they will cover the three elements of train and car service, maintenance and possible needs as to addi-

Major-Gen. O'Ryan, one of the three Commissioners, after listening to yester-day's disclosures, placed this comment en the record: "Had we during the war attempted to handle our German prisoners as the people of this city are handled in the subway, those prisoners would have revolted absolutely; and any officer day. of our army would have been court mar-tialed for handling prisoners in the way the people of this town are handled on

#### Have No Vested Rights.

missioner Le Roy T. Harkness "No transit company has any vested right in inadequate service, and we are serving notice upon them to that

Referring to proofs not only of de-teriorated service, but also to largely of about \$1.152,641.

mission just before adjournment. Whether individual companies see fit to whether individual companies see fit to come into the unification and reorganization plan or to stay out of it, they will be expected henceforth so to operate their service as to provide a seat for every passenger, except in those comparatively brief peak periods of the rush hours "when the traffic exceeds the maximum service that can be provided," maximum service that can be provided, onsidering all of the factors controlling

The commission has declared war upon hat old shibboleth of the traction world:
"The profit is in the straphangers."
Clarence J. Shearn, who conducted

his previous statements, unanimously repudiated by the nation's great court. His allegations now are as false and specious as they have always been and as the Supreme Court has unanimously found them to be." 920 receipts for the same period but mly \$62,000 ahead of the 1919 income. ative deficit at the end of 1921

hattan surface lines), as it was before the Greaking away of the Eighth and Ninth avenue lines and th New York and Harlem (Madison avenue), showed a substantial improvement. From the flaures of 1920 it had reduced its net corporate deficit by more than \$400.00.00.00 since the end of 1919. It still has a net corporate deficit of \$1,108,242. The number of surface passengers carried it the 1919 and the 1921 six months' periods was aproximately the same.

With all fixed charges paid, the avenue system was aproximately the same.
With all fixed charges paid, the Third
Evenue system of surface lines in its

Continued on Page Six. Theatrical and Hotel and Restaurants, Advertising will be found on Page 12.—Adv.

Tar and Feathers Laid In by Town for Holdup Men

**\$9,000,000** FAILURE

INDICATED IN CRASH

OF EXPORT TRADERS

Childs & Josephs Assets

Dwindle When Traced

to Actual Goods.

Reserve Bank Holds More

Than \$2,000,000 in Re-

discounted Paper.

Credit Men Take a Hand in

Liquidation of Firm-Many

Meetings Held.

At the instance of the Federal Re-

serve Bank an inquiry has been

The liabilities, it is said now, are

Credit Men Investigate.

and other agencies interested in credits

AMDEN, March 6.—Tarring and feathering will be the punishment for highway robbers at Woodlynne, near here, in the future, asserted Mayor William D. Kramer to-night. Many residents of the community recently dents of the community recently have been held up and robbed of small sums. The Mayor said:

"We have obtained a big tank for melting tar and a bountiful supply of feathers. The next man caught in a holdup will be tarred and feathered and carried through the streets as an example."

The town has been organized into

vigilant committees.

# 80 CENT GAS INVALID;

U. S. Supreme Court Releases \$11,000,000 to Consolidated and Its Stock Soars.

NEED NOT SELL AT A LOSS

Prendergast Sees Way to Revise Charges and O'Brien Plans to Keep Up Fight.

was learned yesterday. declaring the 80 cent gas rate confiscatory and increasing it to as high as \$1.50 a year ago, was upheld by the both the Interborough and the Brook- United States Supreme Court in a unanimous decision handed down yes- problematical because, being repreterday.

of the Public Service Commission, said of the security merchandise has not are stored thirty-five barrels of the commission on Wednesday, March | the decision left that body free to de- been located. 15, and the Brooklyn corporation is to termine what is the reasonable rate with that purpose in view. to be true, commercial men suid the "It is earnestly to be hoped," said Childs & Joseph fallure will be one of

the court's decision, which has estab-lished beyond a question an uncon-holding between \$2,000,000 and \$3,000,lished beyond a question an uncon-testable basis for the conference the commission has already started be-tween the city and the gas companies to fix new rates."

Corporation Counsel J. P. O'Brien stated, it received payment in full from expressed the opinion that inasmuch the various creditor banks.

and investigation now is being made The immediate effect of the court's cecision will be to turn into the treasury George W. Retz is chairman. Mr. Retz decision will be to turn into the treasury of the Consolidated Gas Company about \$11,000,000, being the money received \$11,000,000, being the mone above the original 80 cent rate, and which the court impounded with Elchard and among the creditors of the bankrupt Welling as a special master pending final adjudication. The Kings County Lighting Company also was a direct sented by the claims of New York mer-

beneficiary by the decision to the extent chants. The remainder, it is said, it sented by the claims of New York merteriorated service, but also to largely increased operative earnings by many of the roads, Mr. McAneny said: "We have distinctly reached the point where we shall be justified in taking much stronger measures than have been possible in the immediate past; in the first sible in the immediate past; in the first stance, stands to benefit to the extent stance, stands to benefit to the extent frankly, however, that many of the frankly however, that many of the frankly, however, that many of the frankly, however, that many of the frankly however had considerable to do with bringing the frankly however had considerable to do with bringing the frankly however had considerable to do with bringing the frankly however had considerable to do with bringing the frankly had considerable to do with

rupted standards and then in going considerably farther in setting up standards for the future."

What the "standards for the future" are to be was made plain by the comcompanies in the city is well above \$25,100,000.

All local gas securities started to soar extent indicated by the present status

Consolidated Dividend Sure.

It was pointed out last night that the next dividend of the Consolidated was assured out of the impounded money it will receive. The last dividend was paid out of an extra cash dividend received from the New York Eldison Company.

Declaring that for the last three years his company and its subsidiaries had.

Clarence J. Shearn, who conducted the examination, first recalled to the stand Fred W. Lindars, chief accountant of the commission, who had perfected elaborate compliations showing the net acoperate incomes of all city lines for the six months period ending December 31, 1921.

Deficits Are Cut Down.

The Brooklyn Rapids Transit surface lines showed a net-corporate income for that period of \$765,856.72, as compared with a deficit of \$3,069,003.93 for the six months ending December 31, 1920. The New York Consolidated, which is the company operating the subway and elevated lines of the B. R. T., had cut down a deficit of \$3,897,795.80 to one of only \$133,209.17. The total B. R. T. system, therefore, showed a net corporate income of \$504,746.85, as a sainst \$151,983 for the carlier corresponding period. While doing better than it did in 1920, however, the subway division of the Interborough, it its subway division of the Interborough, it is expeared that it was about \$300,000 ahead of its 1929 receipts for the same period but only \$52,000 ahead of the 1921 income.

A serve and increase and the subway division of the Manhattan Elevated division of the Interborough it appeared that it was about \$300,000 ahead of its 1929 receipts for the same period but only \$52,000 ahead of the 1921 income.

A serve and increase and the subway and specification of the Interborough is a proper to the facts and the law. The facts and the unanimous decision of the Corporation where the corporation while doing better than it did in 1920, however, the subway division of the Interborough is appeared by the highest court. The subway division of the Interborough is appeared by the facts and the law. The facts and the law is a subway division of the Interborough is appeared by the fact of the court vindicates this company is unanimously sustained by the highest court. The subway division of the Interborough is appeared by the fact of the court vindicates this company is unanimously sustained by the highest court. The subway division of the I

"The statement made by the Corpora"The statement made by the Corporation Counsel is of the same character as his previous statements, unanimously to \$2,149,347.50, backed, according to 
court records, with only \$415.00 secured 
assets, thus leaving a total of \$1,734,347.50 unsecured.

At the hearing before Judge Mack the 
court asked David H. Miller, of 61 
Broadway, counsel for the National 
Bank of South Africa, Lid., for a statement concerning the amounts secured 
and unsecured. He replied:

"It is very difficult to say at this

"It should be borne in mind that the decision of the court relates only to the years 1918 and 1919 and therefore is not conclusive as to what is a fair price for gas under the present day condition." said Corporation Counsel O'Brien in part.

"That the present price, fairly chargeable to gas consumers in this city, should be not more than 80 cents is clear when we consider that Judge Hand, whose decision apparently has been affirmed by the United States Supreme Court, found that the company derived over and above all expenses of every kind and nature, even including income tax as an operating expense, 5.08

Continued on Page Three. When You Think of Writing

ome tax as an operating expense, 5.08

Arkansas Court Backs a Drinking Sheriff

ITTLE ROCK, March 6.-The sufficient cause for removal from tion forbidding Circuit Judge Sor rells from removing from office Sheriff John G. McClain of Lincoln under a recent conviction on a charge of inebriety.

#### ALDERMAN INVOLVED IN BOOTLEG ROUNDUP CREDITORS WORRIED

Surprises Are Promised in Early Arrests of Brooklyn

BRITISH BANK CAUGHT MURDER PRICE OF RUM

> Thugs Prepared to Kill Watchman in Raid on Whiskey Warehouse.

Staten Island detectives and District started in the affairs of Childs & Attorney Malloy of Richmond county Joseph, exporters and importers, of 60 said last night that within a few days Wall street, who failed recently for they expect to make several important liabilities then estimated at \$7.000,000 arrests of members of a Brooklyn and "frozen" assets of \$5,000.000, it gang of bootleggers as a result of the at 110 Fifth avenue, where the firm assault by three men last Friday has offices and workshops. morning upon Michael Connors of 482 discovered to be in excess of \$9,000,- Richmond terrace. New Brighton, dore Karp, 17, of 539 Willoughby ave-000 and the value of listed assets is Staten Island.

sented by warehouse receipts, trade Tanner-Goss warehouses at the foot a year in the Engel & Kraus shops as William A. Prendergast, chairman acceptances and similar paper, much of Jersey street, New Brighton, where shipping clerk and handy man. whisky said to be worth \$25,000, was matic pistol. Two of the bullets went If the circumstances, as indicated beaten with a blackjack and his chull wild, striking the wall behind Engel,

District Attorney Malloy and the de- body to the right side. the chairman, "that the city of New York will be prepared to look at the New York.

The most disastrous in the history of the shots, accentuated tectives said last night that one of the house of the shots, accentuated tectives said last night that one of the most of the shots, accentuated tectives said last night that one of the shots accentuated tectives said last night that one of the shots accentuated tectives said last night that one of the shots accentuated tectives said last night that one of the shots accentuated tectives said last night that one of the shots accentuated tectives said last night that one of the shots accentuated tectives said last night that one Reserve Bank called in the loans, it is

This gang is said to be behind the at-ack on the night watchman, the purpose being to kill or injure the old man so they could steal the whisky and run it across Staten Island Sound to Brooklyn. The Federal Reserve Bank, however, called into conference representatives of the New York Credit Men's Association

Three days after the assault on Connors, detectives arrested Prank Brown of 104 Henry street, and Joseph Gondal of Carroll place, both of New Brighton, and yesterday, on information obtained from Brown and Gondal, they arrested Rensaluer Carney of 673 Park place, Brooklyn, Brown and Gondal told the collective streets of the collective streets of the collective streets of the collective streets are streets. Park place, Brooklyn, Brown and Gondal told the police, it is said, that they were hired by Carney to locate the warehouse in which the whisky was stored, and that they did locate it and sent word to Carney. Then, Brown and Condal and they thus were even to Gondal said, three thugs were sent to States Island to beat up the night watch-

The vicinity Priday and Saturday.

Dr. George B. Clark, acting for Coroner Johns of Petekskill, said Birdsaid that he saw Karshons of Petekskill, said Birdsaid was espected size of Commons, presented to Commons, presented to Commons, and the House of Commons and the Hous purchased 160 tons of curtridges from the Government, employed more than fifty girls in the task of removing the powder from the cartridges prior to the melting of the metal into ingots.

Continued on Tooling for?" she wished.

"Henry Kraus." the boy said.

Miss Hertz went on to the sixth floor, which is also occupied by the firm, and

### MERCHANT KILLED BY DISCHARGED BOY IN FIFTH AVE. PLANT

Bullet Meant for Son of His Partner Fells Max Engel.

YOUTH CAUGHT NEARBY

Found Pacing in Front of Building Six Hours After Tragedy.

LACK OF WORK RESENTED

Murdered Man Tried to Soothe Maddened Caller. Say Witnesses.

Max Engel, senior member of Engel & Kraus, manufacturers and importer. killed yesterday afternoon about 2:30 o'clock in a hallway on the seventh floor of the eleven story loft building

The murder was committed by Isinue, Brooklyn, who was discharged on Connors, a nightwatchman for the February 11 after he had worked for Karp fired three shots from an auto

A proceeding is now pending by the grounds of the inquiry, prove to be true, commercial men suit the Hospital and is not expected to live.

memoer of the Board of Aldermen from that borough. Whether that man would be arreated neither the District Attorney nor the detectives would say. They would say only that "important arrests" are to be made and that the names of some of the members of the gang would astonish the public.

The members of the gang would astonish the public.

of the West Thirtleth street station, on street, saw a young man with a heavy which had been sent out Patrolman Mulreadily admitted that he was Karp.

tened out vegetation near a lake, indi- mal,

the last year in the same region, where Prof. Onelli made public a letter various scientific expeditions have Prof. Onelli made public a letter various scientific expeditions have from an English friend named Shef-made rich finds of animals of geo-marticularly with reference to the interfield, saying that while hunting in the logical ages. He said an expedition national position as it would be affected Andes he discovered a trail of flat- ought to be sent to capture the ani-

STAN I

### MELLON CALLS THE PRESENT BONUS SCHEME THE WORST THAT HAS BEEN PROPOSED

HIS bonus plan is the worst that has been put forward." said Secretary of the Treasury Mellon to-day. "It doesn't meet with the President's idea at all, for it does not meet with his expectation that the funds shall be raised by taxation. A few years from now we will simply be faced with a tremendous debt with no way to meet it. That is what they have forgotten. We are asked to provide a billion dollars or more by 1925, and we haven't

"We are having a hard enough time now scraping down, and we have no right to figure on the savings of the Government; it can't

"As to loans, it means that a billion dollars or more will be turned into the banks of the country. The banks' natural outlet will be the Federal Reserve banks. Now, if this is true, it will mean that a billion dollars' worth or more of non-liquid accounts will be tied up in the Federal Reserve banks until 1925. That is all wrong.

Mr. Mellon mentioned that the cash payment of \$50 each would be made to men who were in service too short a time to go overseas. As he sees the bill, the men who fought can hope for no money outright, but only those who served a few months in home camps will receive cash payments.

"But," he asked, "does the proposal place a cash basis for the men who were overseas or who were engaged against the enemy? So far as I can see, the men who are to be paid cash are those who were in camps in this country for a short time.'

# LLOYD GEORGE WILL LEADING BANKERS HOLD ON TO OFFICE OF STATES PROTEST

in Power Until After

Everything Done to Keep Him Virtually All Association Presidents Oppose Bonus Certificates.

'DIE HARDS' NOT FEARED WANT DISABLED HELPED

Supporters May Desert to New Party.

Minister Lloyd George's illhelpful to bronchial catarrh, so he is Boon to the Loan Shark. going to Wales to-morrow or next hurrying along the street from the day. There is little doubt that while where Engelshad been killed, and then done, first, to assure his continuance I stro began walking back and forth in front in office until after the Genoa confer-of the building. From descriptions ence, and second, to form a Center cer ler recognized Karp. He went across party in preparation for the general election. There were reports current shark to-night that the Premier at the car-"Did you know that Engel was dead?" nest solicitation of the Unionist lead- Opposes Bonus for Uninjured.

boy's pocket. He was taken at once to expected to outline the pocket, the West Thirtieth street station, where Unionist leaders, substantially stating business the West Thirtieth street station, where

The Knowles factory, which recently purchased 160 tons of cutridges from the Government, employed more than the sake of removing the method of the metal into insots.

Sees Monster of the Reptile Age Swimming in Patagonian Lake

Burnos Ames, March 6 (Associated Press)—Belief that a plesiosarrian monster, an amphibian of the Mexico in feasil form, its still alive in Paragonian would be necessary to feel for the monster, an amphibian of the Mexico in feasil form, its still alive in Paragonian Like a minimal with a colossal needs of order, generally believed to exist only in feasil form, its still alive in Paragonian March 6 (Associated Press).

Alres Zoological Gardens. He an nounced that he had received credible reports that such a monster was seen in a lake a monster was seen in a lake the anterior of continued an approximation was correctly and that of not save the last year in the same region, where in a lake in the territory of Chullus and a pletion of the last year in the same region, where the last year in the same region, where in a lake in the territory of Chullus and a position of the last year in the same region, where the last year in the

Continued on Page Five.

Some of Asquith's 'Wee Free' Southern Financiers Generally Condemn Any Action Restraining Credits.

From presidents of State bankers' associations THE NEW YORK HERALD has received the following expressions of opinion regarding the bonus de-At that hour Patrolman George Muller ness is not sorious. But neither the mand being made on Congress and the political turmoul nov London for is service certificate plan now proposed

lieve disabled service men should have

Westerly, R. I. Merch 6.

ers in his Cabinet, had decided to hold on to his office for the time being State Bankers Association: I am opposed to service certificate or any other

across the street. Williams hurried to the house and the men ran to the dock behind the warehouse and pushed off in a motor boat.

FREEZES TO DEATH 400
FREE

General Welfare Threatened.

eliminating question of the propriety of a bonus for other than injured soldiers. by a change in the Premiership at this I believe that service certificates in the

Continued on Page Two.

### BLOCKED IN HOUSE, FORDNEY FORCED TO REVISE BONUS BILL

Fails to Get Unanimous Consent in Effort to Introduce It.

TINKERING NOT ENDED

Harding 'Too Busy' When Dismayed Repairers Go to White House.

FARM BLOC IS SCARED

Congress Deluged With Increasing Stream of Protests From Country.

By LOUIS, SEIBOLD. Special Dispatch to THE NEW YORK HERALD

The latest plan devised by the Republican Ways and Means Committee members to finance the bonus raid on the public treasury and business of the country struck several unexpected snags to-day.

Instead of being presented to the House it was put into cold storage to-night with the date of its emergence concealed back of a barrage or doubt, suspicion and counter offensive.

Mr. Fordney made an effort to introduce the insurance certificate lean bill this afternoon by unanimous consent. He was balked by objections. Despite his readiness to present the measure, he said later on that "the bill is still under consideration by the committee," meaning the Republican members of it, because the Democrats have been consistently excluded from the deliberations.

Explanation of Delay

Whether the bill will come up for airing to-morrow or on Wednesday is a matter about which there is no concert of opinion. The most logical reason advanced in explanation of every consideration and all help possible. I strongly disapprove general bonus to all as disastrous to bushess and wrong in principle. Would suppose service certificate plan to be unsatisfactory to the service man and a boon to the loan any more enthusiasm for it than for charge of the service man and a boon to the loan any more enthusiasm for it than for any more enthusiasm for it than for various other hare-brained projects proved to be both impracticable and

States Island to beat up the night watchman and steal the liquor. Carrey was released in \$10,000 ball, but Brown and great undesirable. at this time would be disastrous to the business interests of our country, as we are now burdened by excessive taxes. There is a point which is in fact the limit of taxable capacity. Beyond this The New York Herald to-day that

gested" proved the most severe criticism of the project. Leaders to the of the Republican members of the Ways and Means Committee that it